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DDD-7914-CO
COPY 1 OF 1

October 20, 1960

JM-1926
Duplicate

[redacted] 25X1

Subject: Letter Contract [redacted] Determination of Fixed Fee Request for 25X1

Gentlemen:

Attached is the Contractor's proposal for determination of fee due to the termination of subject letter contract, which was terminated for the convenience of the Government on July 16, 1959. As of the effective date of termination there had been obligated a maximum amount of funds for which the Government would be liable in the event the letter contract was terminated. This amount was $2,514,000, including estimated cost and fee.

As of the effective date of termination, all work and effort called for was on, or ahead of, schedule as reflected in the contract summary report dated February 8, 1960. The Contractor's cost records and progress reports indicate that had the contract not been terminated on July 16, 1959, immediate additional funding would have been required.

It is therefore respectfully requested that the Fixed Fee applicable to the terminated work be established at $164,467 as reflected on the attached proposal, which, together with allowable costs, will reasonably and fairly compensate the Contractor for preparations made and work accomplished on the terminated letter contract. Total costs incurred on the contract will be approximately $2,345,000.

Very truly yours,

THE MARQUARDT CORPORATION

[redacted] 25X1

Contract Administration

OBM:hms
Att'mt.

[redacted] 25X1

[redacted] 25X1

[redacted] 25X1

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Proposal No. 2494
January 14, 1959

Estimated Cost Breakdown
Page 1 of 1

	HOURS	DOLLARS
Engineering Direct Labor		$ 352,567.50
[redacted]		112,531.25
		674,393.18
Materials & Direct Charges		100,000.00
Total Manufacturing Cost		$ 1,239,491.93
General & Administrative Expense @ 10% Total Mfg. Cost		123,949.19
Total Estimated Cost		$ 1,363,441.12
Profit		136,558.88
Price		$ 1,500,000.00

25X1
25X1

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K-E 10 X 10 TO THE ½ INCH 359T-11G
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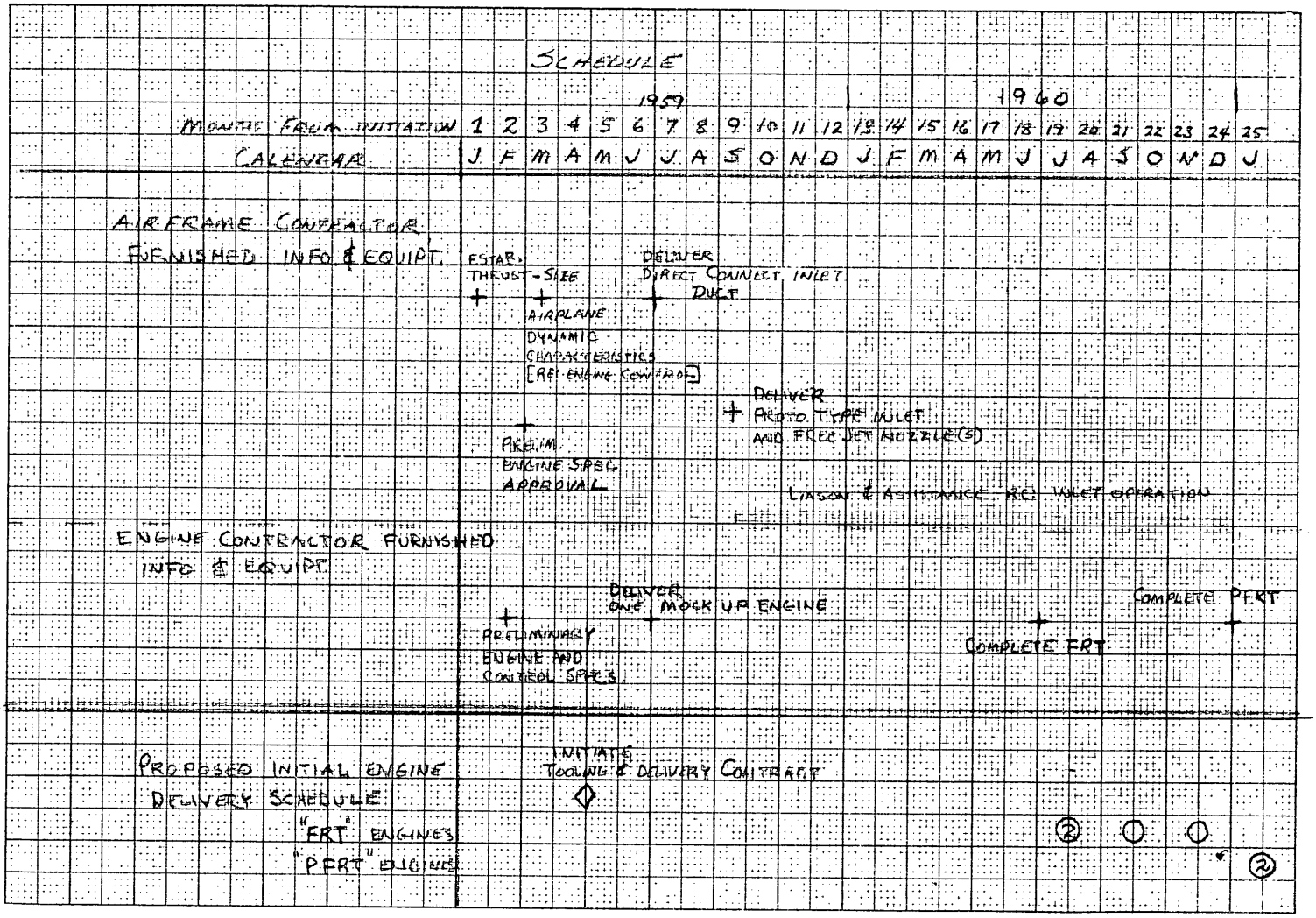
Jan. 14, 1959

Exhibit I


SCHEDULE
1959
1960
MONTHS FROM INITIATION 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25
CALENDAR J F M A M J J A S O N D J F M A M J J A S O N D J
AIRFRAME CONTRACTOR FURNISHED INFO & EQUIPT.
ESTAB. THRUST-SIZE
AIRPLANE DYNAMIC CHARACTERISTICS [PRE-ENGINE CONTRACT]
DELIVER DIRECT COUNTER INLET DUCT
DELIVER PROTO TYPE INLET AND FREE JET NOZZLE(S)
PRELIM. ENGINE SPEC. APPROVAL
LIAISON & ASSISTANCE RE: INLET OPERATION
ENGINE CONTRACTOR FURNISHED INFO & EQUIPT
DELIVER ONE MOCK UP ENGINE
COMPLETE PERT
PRELIMINARY ENGINE AND CONTROL SPECS
COMPLETE FRT
PROPOSED INITIAL ENGINE DELIVERY SCHEDULE
INITIATE TOOLING & DELIVERY CONTRACT
"FRT" ENGINES
"PERT" ENGINES
2 0 0 2

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GUS-0263
COPY / OF 3

Proposal No. 2494
January 14, 1959

I. STATEMENT OF WORK

1. The Contractor shall, for the period of four months from December 31, 1958, employ its personnel and available facilities, and devote its best efforts to the prosecution of initial portions of the 25-month engine development program described in Exhibit 1 attached hereto.

II. GOVERNMENT-FURNISHED FACILITIES & EQUIPMENT

1. For performance of the work described herein, use is authorized of Government furnished facilities acquired and scheduled to be acquired under facility contracts [redacted] presently held by Marquardt. It is contemplated that no charge will be made by the Government for the use of any Government furnished facilities, and no provisions have been made in the prices quoted herein for the use thereof. Should the Government subsequently make a charge for the use of such facilities, the price set forth herein shall be subject to adjustment to compensate for such charge. 25X1 25X1

2. Performance of the work described herein requires the use of certain national facilities. The Government shall provide, at no cost to the Contractor, test time as set forth below at times as required to support the development contract.

AEDC - GDF - Occupancy of the High Pressure Station on two shifts, beginning January 19, 1959 and continuing through April 30, 1959.

3. It is contemplated that performance of the work called for hereunder will require the use of certain Government-owned tooling, test hardware, and special test equipment presently held by the Contractor under various Air Force prime contracts and subcontracts. The Contractor is hereby authorized to use such items in the performance of work hereunder, provided such use does not interfere with performance of the contracts for which such items were originally acquired.

III. SPECIAL CONSIDERATIONS

1. The Government shall furnish, or cause to be furnished, at no cost to the Contractor, the necessary design information set forth in Exhibit I hereto.

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2. Claims for monies due or to become due the Contractor under this contract may be assigned to The Chase Manhattan Bank, as agent for several banks under a "V" Loan Agreement. Notwithstanding any other provision of this contract, payments to said assignee of any monies due or to become due hereunder shall not be subject to reduction or set-off.

3. It is recognized by the parties hereto that, should the Government elect to continue performance of the work called for hereunder, it is contemplated that such continuation shall be on the basis of a cost-reimbursement type contract.

4. Progress payments shall be made to the Contractor from time to time as work progresses hereunder upon request, in an amount not exceeding 70% of Contractor's total costs incurred in performance of the work.

5. In the event performance of this contract necessitates the construction or acquisition of special structures, shields, or other devices, or the employment of special personnel, such as guards or firemen, not customarily required in performance of Contractor's work for the Government, for the purpose of security, such will be construed to be additional work under this contract and appropriate contract changes will be made in accordance with the provisions of the article hereof entitled 'Changes'.

IV. PRICE

1. The fixed price for performance of the work called for hereunder is $1,500,000.00.

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